

I. Code of Ethics

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Chapter I. Introduction

Article 1. Purpose

1. Pursuant to the provisions of its *By-Laws*, IBERDROLA, S.A. (the “Company”) aspires for its conduct and that of the persons connected therewith to conform and adhere not only to applicable law and its Corporate Governance System but also to ethical principles and generally accepted principles of social responsibility.
2. This *Code of Ethics*, which contains the by-law commitment referred to in the preceding section, is intended to develop the ethical principles contained in the *Mission, Vision and Values of the Iberdrola group* and serves as a guide for the conduct of the professionals of the Company and of the group of companies of which the Company is the controlling entity, within the meaning established by law (the “Group”), in a global, complex and changing environment.
3. In addition, the *Code of Ethics* has been prepared taking into account the good governance recommendations generally recognised in international markets and the social responsibility principles accepted by the Company, constituting a basic reference for observance of such initiatives and practices by the Group. It also deals with the new prevention obligations imposed within the area of criminal liability for legal entities.
4. The *Code of Ethics* sets forth the Company’s commitment to the principles of business ethics and transparency in all areas of activity and establishes a set of principles and guidelines for conduct designed to ensure ethical and responsible behaviour by all professionals of the Group in the performance of their activities.
5. The *Code of Ethics* forms a part of the Company’s Corporate Governance System, and is fully respectful of the principles of corporate organisation established therein.

Article 2. Scope of Application

1. The principles and guidelines for conduct contained in the *Code of Ethics* apply to all professionals of the Group, regardless of their rank, their geographical or functional location, or the Group company to which they provide their services. For purposes of the *Code of Ethics*, the Group’s professionals are deemed to be the officers and employees of all companies and entities forming a part thereof, as well as those other persons whose activities are expressly made subject to the *Code of Ethics*.
2. Observance of the *Code of Ethics* is understood to be without prejudice to strict compliance with the Company’s Corporate Governance System, especially the *Internal Regulations for Conduct in the Securities Markets* and the rules in implementation thereof, the *Corporate Governance and Regulatory Compliance Policies* and the applicable rules on separation of activities in each jurisdiction in which the Group carries out regulated activities.
3. The professionals of the companies of the Group to whom other ethical codes or codes of conduct also apply, whether industry-based or arising under the domestic law of those countries in which they carry out their activities, shall also observe such other ethical codes or codes of conduct. Such codes of ethics or conduct shall embrace the *Mission, Vision, and Values of the Iberdrola group* and shall reflect the principles set forth in the *Code of Ethics*.
In the case of listed subsidiaries forming part of the Group that must approve their own code of ethics or equivalent rules due to mandate of law or a resolution of their management decision-making body, such code or rules shall preferentially apply to their professionals.
4. Professionals acting as representatives of the Group at companies and entities that do not belong thereto shall observe the *Code of Ethics* in the performance of such activity to the extent that it is not inconsistent with the regulations of the company or entity at which they act as representatives of the Group. At those companies and entities in which the Group, while not having a majority stake, is responsible for management, the professionals representing the Group shall promote compliance with the provisions of the *Mission, Vision and Values of the Iberdrola group* and the rules of conduct established in the *Code of Ethics*.
5. Those professionals of the Group who manage or direct teams of people in the performance of their duties must also ensure that the professionals for which they are directly responsible know and comply with the *Code of Ethics* and lead by example, acting as benchmarks for conduct within the Group.

Article 3. Mission, Vision and Values of the Iberdrola Group

1. The Board of Directors of the Company has approved the *Mission, Vision and Values of the Iberdrola group*. Far from being a mere statement of principles, the content thereof governs day-to-day activities at all of the Group companies and guides their strategy and all their actions.
2. Professional conduct in compliance with the principles contained in the *Mission, Vision and Values of the Iberdrola group*, which inspire and take form in the *Corporate Policies*, the *Code of Ethics* and the other regulations comprising the Corporate Governance System is the best assurance of the commitment to the creation of value for the communities in which the Group operates and for the Company’s shareholders.

Article 4. Interpretation and Integration of the Code of Ethics

1. The Compliance Unit is the body responsible for the general interpretation and integration of the *Code of Ethics*. Its interpretative opinions, which must take into account the provisions of the *Mission, Vision and Values of the Iberdrola group*, are binding on all professionals of all of the companies belonging to the Group.
2. The *Code of Ethics*, by its nature, does not deal with potential situations but rather establishes the standards to guide the conduct of the Group’s professionals and to resolve any issues that might arise while carrying out their professional activities.

3. Any question that arises for the Group's professionals regarding the interpretation of the *Code of Ethics* should be discussed with an immediate superior. If the circumstances so require, it may be referred to the Compliance Unit, through the director thereof, or, when appropriate, to the compliance divisions that may exist at the country subholding companies or head of business companies of the Group.
4. In cases in which the country subholding or head of business companies of the Group have codes of ethics that are not identical to this *Code of Ethics* but rather include specific provisions to conform the content thereof to applicable domestic legal or industry-specific provisions, any compliance divisions at such companies shall interpret the latter, although the interpretation of the provisions of this *Code of Ethics* shall always be reserved to the Compliance Unit.

Chapter II. Compliance Unit

Article 5. Compliance Unit

1. The Compliance Unit is an internal and permanent collective body linked to the Corporate Social Responsibility Committee of the Company's Board of Directors, and is responsible for proactively ensuring the effective operation of the Company's compliance system, configured in accordance with the provisions of the Corporate Governance System.
2. Provided that applicable law so allows, the Compliance Unit shall have access through the secretary of the Board of Directors to the information, documents and offices of the companies, directors, officers and employees of the Group, including the minutes of the management, supervisory and control bodies, that may be necessary for the proper performance of its duties. In that regard, all employees, officers and directors of such companies must provide to the Compliance Unit such cooperation as is requested of them for the proper performance of its duties.
3. The Compliance Unit shall have the material and human resources needed to perform its duties.
4. The Compliance Unit shall inform the Corporate Social Responsibility Committee, at least annually and whenever it deems necessary or is requested to do so, of the measures adopted to ensure compliance with the *Code of Ethics*. Furthermore, the Compliance Unit shall inform the Corporate Social Responsibility Committee of any issue it finds to be of sufficient importance.
5. The Committee shall also periodically inform the Corporate Social Responsibility Committee of the main conclusions and opinions that it issues in the performance of its duties.

Article 6. Relations with the Country Subholding Companies and Head of Business Companies of the Group

1. The duties and activities of the Compliance Unit shall be deemed to be without prejudice to those initiatives adopted by the boards of directors of the country subholding companies and head of business companies of the Group within their own areas of activity to promote awareness of and adherence to the *Code of Ethics*.
The country subholding companies and head of business companies of the Group shall periodically inform the Compliance Unit of any initiatives adopted in this regard.
2. In order to properly exercise of the powers attributed to the Compliance Unit in the *Code of Ethics*, and with due respect for the scope of action of the country subholding companies and head of business companies of the Group, the Compliance Unit shall establish the framework of relations for coordination, cooperation and information with the compliance divisions that may exist at such companies, taking into account for such purpose the special characteristics that may arise from listed company status, nationality or any other circumstances that may affect certain companies of the Group.
3. Furthermore, the powers of the Compliance Unit under the *Code of Ethics* shall be deemed to be without prejudice to the management and supervision responsibilities corresponding to other bodies and divisions of the Company and to the administrative and management decision-making bodies of the country subholding companies and head of business companies of the Group and to equivalent bodies in other jurisdictions in accordance with the corporate and governance structure of the Group, and particularly with respect to the application of relevant disciplinary measures.

Chapter III. General Rules of Professional Conduct

Article 7. Compliance with Law and with the Corporate Governance System

1. Group professionals shall comply strictly with the laws in force in the jurisdiction of their workplace, heeding both the spirit and the purpose of such legal provisions, and shall observe the provisions of the *Code of Ethics*, the rules of the Corporate Governance System and the basic procedures governing the activities of the Group and of the company in which they provide their services. They shall also fully observe all obligations and commitments assumed by the Group in its contractual relations with third parties, as well as the usage and good practice of the countries in which they carry out their activities.
2. The officers of the Group shall have particular knowledge of the laws and regulations, including internal ones, affecting their respective areas of activity, and must ensure that the professionals reporting to them receive the required information and training to enable such professionals to understand and fulfil the legal and regulatory obligations, including internal ones, applicable to their position.
3. Group companies shall ensure compliance with applicable tax regulations and shall strive to achieve appropriate coordination of the tax policy followed by all of them, within the framework of furtherance of the corporate interest and of support for the long-term business strategy, avoiding tax risks and inefficiencies in the implementation of business decisions.
4. The Group shall respect and abide by all court and/or governmental decisions or resolutions that may be issued, but reserves the right to file such appeals as may be appropriate against any such decisions or resolutions when it believes that they do not conform to the law and are contrary to its interests.

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Article 8. Irreproachable Professional Conduct

1. The standards that govern the conduct of the Group's professionals shall be professionalism, integrity and self-control in their actions and decisions:
 - a) Professionalism is acting diligently, responsibly and efficiently, focusing on excellence, quality and innovation.
 - b) Integrity is acting loyally, honestly, in good faith, objectively and in line with the interests of the Group and with its principles and values as expressed in the *Mission, Vision and Values of the Iberdrola group* and in the *Code of Ethics*.
 - c) Self-control in actions and in decision-making means that any action performed rests upon four basic premises: (i) that the action is ethically acceptable, (ii) that it is legally valid, (iii) that it is desirable for the Company and the Group, and (iv) that the professional is prepared to assume responsibility therefor.
2. All professionals of the Group have an obligation to report to the Compliance Unit or to the compliance division of the relevant country subholding or head of business company of the Group, which shall in turn inform the Compliance Unit, regarding the commencement, evolution and result of any court, criminal or administrative proceeding for the imposition of penalties, in which a professional is the defendant or accused and which may affect the professional in the performance of the duties thereof as a professional of the Group or prejudice the image or the interests of the Group.
In the event of a report of the commencement of a proceeding of this nature, the Compliance Unit or the respective compliance division of the country subholding or head of business company of the Group shall act in accordance with the protocol approved for such purpose.

Chapter IV. The Group's Professionals

Article 9. Principles of Non-Discrimination and Equal Opportunity

1. The Group promotes non-discrimination by reason of race, colour, nationality, social origin, age, gender, marital status, sexual orientation, ideology, political opinion, religion or any other personal, physical or social condition of its professionals, as well as equality of opportunity among them.
2. In particular, the Group shall promote equal treatment among men and women as regards access to employment, training, promotion of professionals and working conditions, as well as access to goods and services and the supply thereof.
3. The Group rejects any form of violence, of physical, sexual, psychological, moral or other harassment, of abuse of authority at work and any other conduct creating an atmosphere that is intimidating or offensive to the personal rights of its professionals. Specifically, the Group shall promote measures to prevent sexual harassment and gender-based harassment when deemed necessary.

Article 10. Reconciliation of Work and Family Life

The Group respects the personal and family life of its professionals and shall promote reconciliation programmes that encourage a better balance between personal and family life and the employment responsibilities of its professionals.

Article 11. Right to Privacy

1. The Group respects the right to privacy of its professionals in all its forms, and particularly as regards personal, medical and financial data.
2. The Group respects the personal communications of its professionals made through the internet and other means of communication.
3. The professionals of the Group undertake to responsibly use the means of communication, computer systems and, in general, any other means made available to them by the Company in accordance with the policies and standards established for such purpose. Such means are not provided for non-professional personal use, and are thus not appropriate for private communication. They therefore do not give rise to an expectation of privacy in the event they must be supervised by the Group in the proportionate exercise of its duties of control.
4. The Group undertakes not to disclose personal data of its professionals, except with the consent of the interested parties and where legally obliged to make such disclosure by statute or to comply with court or administrative orders. Under no circumstances may personal data of the professionals of the Group be processed for purposes other than those provided for by law or by contract.
5. The professionals of the Group that have access to the personal data of other professionals of the Group in the course of their activities shall undertake in writing to respect the confidentiality of such data.
6. The Compliance Unit, the compliance divisions and the other relevant divisions or bodies shall comply with the requirements established in personal data protection legislation regarding communications sent thereto by the professionals in accordance with the provisions of the *Code of Ethics*.

Article 12. Workplace Health and Safety

1. The Group shall promote a workplace health and safety programme and adopt the preventive measures required under current legislation and any other legislation that may be enacted in the future.
2. The professionals of the Group shall observe with particular attention the regulations relating to workplace health and safety, in order to prevent and minimise occupational risks.
3. The Group shall promote compliance with its rules and programmes regarding workplace health and safety by the suppliers with which it does business.

Article 13. Selection and Assessment

1. The Group shall maintain a most strict and objective selection programme, considering only the academic, personal and professional merits of candidates and the needs of the Group.
2. The Group shall assess its professionals rigorously and objectively on the basis of their individual and collective professional performance.
3. Group professionals shall participate in any setting of their objectives and shall be informed of the assessments made of them.

Article 14. Training Policies

1. The Group shall promote the training of its professionals. Training programmes shall foster equal opportunities and professional career development and shall contribute to the achievement of the Group's objectives.
2. Group professionals undertake to update their technical and managerial knowledge continuously and to take advantage of the Group's training programmes.

Article 15. Information

The Group shall inform its professionals of the outlines of its strategic objectives and the progress of the Group.

Article 16. Gifts and Presents

1. Group professionals may not give or accept gifts or presents in the performance of their professional activities. As an exception, the delivery and acceptance of gifts or presents shall be allowed if all of the following simultaneously occur:
 - a) they are of insignificant or symbolic financial value,
 - b) they correspond to signs of courtesy or to customary business gifts and tokens, and
 - c) they are not forbidden by law or by generally accepted business practices.

The provisions of article 33 below shall not apply to presents or gifts under the above circumstances.

2. Group professionals may not, directly or through nominees, offer or grant, or solicit or accept, unjustified advantages or benefits that are directly or indirectly intended to obtain a benefit, whether present or future, for the Group, for themselves or for a third party. In particular, they may not give or receive any type of bribe or commission from, or made by, any other party involved, such as government officials (whether Spanish or foreign) or personnel of other companies, political parties, authorities, customers, suppliers or shareholders. Acts of bribery, which are expressly prohibited, include the offer or promise, whether direct or indirect, of any kind of improper advantage, any instrument designed to conceal them, and influence-peddling.

Money may also not be received from customers or suppliers on a personal level, even as a loan or advance, the foregoing being independent of loans or credits given to Group professionals by financial institutions that are customers or suppliers of the Group and that are not involved in the activities set forth above.

3. Group professionals may not give or accept hospitality that influences, might influence or might be construed as influencing decisions.
4. In the event of any doubt as to what is acceptable, the offer must be turned down or, if appropriate, first discussed with the professional's immediate superior, who may refer the question to the Compliance Unit or to the corresponding compliance division, as applicable.

Article 17. Conflicts of Interest

1. A conflict of interest shall be deemed to exist in those circumstances in which there is a direct or indirect conflict between the personal interest of the professional and the interest of any of the companies of the Group. A personal interest of the professional shall exist when the matter affects the professional or a person related thereto.
2. The following shall be deemed to be persons related to the professional:
 - a) The spouse of the professional or the person with whom the professional has a like relationship of affection.
 - b) The ascendants, descendants and siblings of the professional or of the professional's spouse (or person related to the professional by a like relationship of affection).
 - c) The spouses of the ascendants, descendants and siblings of the professional.
 - d) The entities in which the professional, or another person related thereto, directly or through a nominee, falls within any of the control situations established under the law.
 - e) The companies or entities in which the professional, or any of the persons related thereto, directly or through a nominee, holds an administrative or management position or a position for which the professional receives remuneration for any reason, provided that the professional also directly or indirectly exercises a significant influence on the financial and operational decisions of such companies or entities.
3. By way of example, the following are circumstances that might give rise to a conflict of interest:
 - a) Being involved, personally or through relatives, in any financial transaction or operation to which any of the companies of the Group is party.
 - b) Negotiating or formalising contracts on behalf of any of the companies of the Group with individuals who are related to the professional or with legal entities in which the professional or a person related to the professional holds a management position, or is a significant shareholder or director.
 - c) Being a significant shareholder or a director, etc. of customers, suppliers or direct or indirect competitors of any of the companies of the Group.

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4. Professional decisions must be based on the best defence of the interests of the Group and must not be influenced by personal or family relationships or by any other personal interests of Group professionals.
5. Group professionals shall observe the following general guidelines for action in connection with potential conflicts of interest:
 - a) Independence: At all times act with professionalism, loyalty to the Group and its shareholders, and independently of their own interests or those of third parties. They shall therefore in no case let their own interests prevail over the interests of the Group.
 - b) Abstention: Refrain from participating in or influencing the making of decisions that might affect the entities of the Group with which there is a conflict of interest, from participating in meetings at which such decisions are discussed and from accessing confidential information related to such conflict.
 - c) Communication: report the conflicts of interest in which they are involved, prior to entering into any transaction or to the conclusion of the business in question, in writing to an immediate superior, to the division responsible for the human resources function and to the Compliance Unit or to the compliance division of the relevant Group company, as applicable. The latter shall evaluate the situation in coordination with the division responsible for the human resources function and shall make the appropriate decisions, advising when necessary on the appropriate actions in each particular circumstance. The members of the Compliance Unit involved in a potential conflict of interest must give notice thereof to the Committee, which shall also have the power to resolve questions or conflicts that might arise in this regard.

In the notice, professionals must specify:

- Whether the conflict of interest affects them personally or through a related person, in which case they shall provide the name of such person.
- The circumstances that led to the conflict of interest, describing, if appropriate, the subject matter and the principal terms of the planned transaction or decision.
- The amount or approximate economic valuation thereof.
- The department or person of the Group with whom the respective contacts were made.

The general guidelines for action described above shall be especially observed in those instances in which the conflict of interest is, or may reasonably be expected to be, of such a nature as to constitute a structural and permanent conflict of interest between the professional, or a person related to the professional, and any of the companies of the Group.

6. In order to determine the existence of any possible disqualifications, the division responsible for the human resources function of the Group company in question shall be informed thereof prior to the acceptance of any public office. This division shall in turn inform the Compliance Unit or the compliance division of the corresponding company of the Group, as applicable.

Article 18. Business Opportunities

1. Business opportunities shall be deemed to be all investments or transactions relating to the property or assets of the Group of which professionals become aware in the course of their professional activity, in those cases in which the investment or transaction would have been offered to the Group or it has an interest therein.
2. Professionals may not take advantage of business opportunities for their own benefit or for the benefit of related persons, which shall include the persons mentioned in article 17.2 above unless:
 - a) it has previously been offered to the Group, and
 - b) the Group has chosen not to take advantage of it without any influence of the professional, or
 - c) the division responsible for the human resources function of the Group company in question authorises the professional to take advantage of the business opportunity.
3. Professionals may not use the name of the Company or of companies of the Group or invoke their status as professionals thereof to engage in transactions for their own account or for the account of related persons.

Article 19. Resources and Means for the Performance of Professional Activities

1. The Group undertakes to make available to its professionals all necessary and appropriate resources and means for them to perform their professional activities.
2. Without prejudice to the mandatory compliance with the Group's specific rules and procedures regarding resources and means, the Group's professionals agree to responsibly use the resources and means made available thereto, using them solely for professional activities in the interest of the Group, in order that such resources and means shall not be used for private or personal purposes. The Group's professionals shall avoid any practices, particularly unnecessary activities and expenses, that reduce the creation of value for the shareholders.
3. The Group owns and holds the right to use and operate the computer software and information technology systems, computer equipment, manuals, videos, projects, studies, reports and other works and rights created, developed, perfected or used by its professionals within the framework of their work or based on the information technology facilities of the Group. Professionals shall respect the principle of confidentiality in respect of the characteristics of the rights, licences, software, systems and technological knowledge, in general, owned by the Group or which it has the right to operate. The disclosure of any information relating to such characteristics shall require the prior authorisation of the division responsible for the human resources function of the Group company in question.

The use of the information technology equipment, systems, and software made available by the Group to the professionals for the performance of their work, including the facility of access to and operating on the internet, shall conform to standards

of security and efficiency, excluding any use, action or information technology function that is unlawful or contrary to the regulations or instructions of the Group.

Professionals shall not operate, reproduce, replicate or assign the Group's information technology systems or applications for purposes unrelated thereto. In addition, professionals shall not install or use on the computer equipment provided by the Group software or applications that are unlawful to use or that might damage the systems or prejudice the image or the interests of the Group, its customers or third parties.

Article 20. Internal, Confidential and Private Information

1. Non-public information owned by the Group shall generally be deemed to be information for internal use unless it has been classified as confidential or private, and shall any case by subject to professional secrecy and may not be provided to third parties other than in the normal course of their work, profession, or duties, provided, however, that those to whom the information is disclosed must be subject, by law or under contract, to a duty of confidentiality and that they have confirmed to the Company that they have the necessary means to protect it.
2. Information or data that may not be disclosed within or outside the group, may cause harm (financial or reputational) or violates any regulatory or legal requirement, giving rise to the imposition of penalties or claims against companies of the Group, shall be classified as confidential. Highly sensitive or especially valuable information or data, the disclosure of which may cause serious or significant harm, shall be classified as private information.
3. The Group and all its professionals shall be responsible for taking sufficient security measures and for applying the established procedures to protect internal, confidential and private information recorded on physical or electronic media from any internal or external risk of unauthorised access, tampering or destruction, whether intentional or accidental. To such end, the Group professionals shall treat the content of their work as strictly confidential in their relations with third parties.
4. The disclosure of confidential or private information or the use thereof for personal purposes is a breach of the *Code of Ethics*.
5. Any reasonable indication of a leak of private or confidential information for personal purposes must be reported by those with knowledge thereof to their immediate superior and to the divisions responsible for the security and human resources functions of the Group company in question. The division responsible for the security function must in turn give written notice thereof to the Compliance Unit or to the compliance division of the corresponding company.
6. In the event of severance of an employment or professional relationship, the professional shall return to the Group all internal, confidential and private information, including documents and storage media or devices, as well as the information stored in any corporate or personal electronic device, and the professional's duty of confidentiality shall continue in all cases.

Article 21. Inside Information

1. Subject to the definition set forth in the *Internal Regulations for Conduct in the Securities Markets*, inside information is any specific information regarding the Company or the Group that has not been made public and that, if made public, could appreciably influence the listing price of the Company's shares or other negotiable securities issued by Group companies or related financial instruments.
2. Professionals having access to any inside information of the Group shall adhere to the obligations, limitations and prohibitions set forth in the *Internal Regulations for Conduct in the Securities Markets*, and shall in particular refrain from:
 - a) Preparing or carrying out any kind of transaction in the shares or other negotiable securities of the Group to which such information refers, including the direct or indirect acquisition, transfer or assignment for themselves or third parties of shares or negotiable securities of the Group to which such information refers, or using this kind of information to cancel or change an order relating to said shares or securities given prior to becoming aware of the inside information. They must also refrain from even attempting to engage in such transactions.
 - b) Disclosing inside information to third parties other than in the normal course of their work, profession or duties, provided, however, that those to whom the information is disclosed in the normal course of their work, profession or duties must be subject, by law or under contract, to a duty of confidentiality and that they have confirmed to the Company that they have the necessary means to protect it.
 - c) Recommending to a third party that they engage in any of the transactions referred to in letter a) above or cause another to engage in said transactions based on inside information.
3. The prohibitions established in the previous section apply to any professional having inside information if such professional knows or should have known that it is inside information. They shall also apply to any information regarding other issuers of listed securities that may be deemed to be inside information and to which the professional had access in the ordinary course of such professional's work, profession or duties.

Article 22. Publicly Broadcast Events

Professionals should be especially cautious in any presentation, participation in professional conferences or seminars, or in any other event that may be publicly broadcast and in which they will participate as Group professionals, ensuring that their message is aligned with the Group, and obtaining prior authorisation from their immediate superior, and in any event with timely reporting to the External Communications Division.



Article 23. Outside Activities

1. Professionals shall devote to the Group all the professional capacity and personal effort needed to perform their duties.
2. The provision of services as employees or professionals, for their own account or for the account of another, to companies or entities other than the Group, as well as a professional engaging in or participating as an instructor in academic activities when they are related to the activities of the Group or the duties performed by the professionals therein, must be authorised in advance and in writing by the division responsible for the human resources function of the Group company in question. The prior approval of the division responsible for the human resources function shall also be required in the following cases:
 - a) Active participation on or appointment of the professional to the management boards of professional or industry organisations or associations in representation of the Group.
 - b) Any other type of outside activity that could affect the due dedication of the professional to the duties thereof or that might entail a potential conflict of interest.
3. The Group respects the performance of social and public activities by its professionals, provided that they do not interfere with their work at the Group.
4. The connection, membership, or collaboration by professionals with or in political parties or other kinds of public-purpose entities, institutions or associations shall be such that the personal nature thereof is clear, thereby avoiding any connection with the Group.
5. The creation of or membership, participation or collaboration on social media, forums or Internet blogs by professionals and the opinions or statements they make therein shall be made in a manner that clearly shows the personal nature thereof. Professionals must in any event refrain from using the image, name or brands of the Group to open accounts or register themselves on such forums or media.

Article 24. Separation of Activities

1. The Group, made up of both companies that carry out Regulated Activities and companies that carry out Liberalised Activities, as defined in the next section, undertakes to observe the industry regulations regarding the separation of both types of activities in force in each country in which it has a presence.
2. Generally, for purposes of the *Code of Ethics*, those activities relating to distribution and transportation in the electricity industry and those of regasification, basic storage, transportation and distribution in the hydrocarbon industry are deemed to be “Regulated Activities”. Production and supply activities carried out under a free competition system in both the electricity and the gas industries, as well as the provision of energy recharging services, are deemed to be “Liberalised Activities”. For purposes of the *Code of Ethics*, the companies of the Group carrying on these activities shall be known as “Regulated Companies” and “Liberalised Companies”, respectively.
However, given the differences in the regulation of the energy industries in the various countries in which the Group operates, the specific definition of Regulated Activities and Liberalised Activities and, thus, of Regulated Companies and Liberalised Companies, shall conform to the laws and regulations in force in each country at any time.
3. It is the Group’s responsibility to keep Regulated Activities and Liberalised Activities duly separate within the Group in accordance with the regulations for the separation of activities applicable in each case.
4. Generally and without prejudice to the provisions of the laws and regulations applicable in each country, the rules for the separation of activities are deemed to require that the Group and its professionals:
 - a) Ensure independence in the day-to-day management of Regulated Companies and that of those responsible for the management thereof, avoiding the participation by Liberalised Companies in the day-to-day management thereof, without prejudice to the Group’s powers of economic oversight and management over such companies.
To such end, the Group shall ensure that Regulated Companies have the human, material and financial resources that are adequate and necessary to carry on their day-to-day activities.
 - b) Guarantee the independence and protection of the professional interests of the persons responsible for the management of Regulated Companies and of all workers who, under applicable law, deserve special protection by virtue of their duties.
 - c) Take appropriate measures to ensure the protection of commercially sensitive information of Regulated Companies that might give a competitive advantage if known by Liberalised Companies.
In this regard, Regulated Companies may not share commercially sensitive information with Liberalised Companies, except where permitted by applicable laws and regulations or disclosed to third parties, in which case such information shall be shared under non-discriminatory conditions.
 - d) Ensure that all activities of Regulated Companies are carried out following objective and non-discriminatory standards, avoiding any preferential treatment of Liberalised Companies or their customers.
 - e) Keep the books of Regulated Companies and of Liberalised Companies duly separated, as provided by applicable laws and regulations in each country.
In addition, the Group shall ensure that economic transactions relating to, among other things, the transfer of resources, assets, rights and/or contracts, if any, made between Regulated Companies and the other companies of the Group, as well as the provision and receipt of services common to them, observe the specific regulations established in each jurisdiction regarding the conditions to which such transactions must be subject.

5. The Group shall, in accordance with the laws and regulations in force in each country in which it carries on Regulated Activities, adopt codes or similar internal rule-making instruments that ensure compliance with the rules for the separation of activities by the Group professionals affected by such laws and regulations.
- The Group guarantees that the codes or rule-making instruments mentioned in the preceding paragraph shall be communicated to and disseminated among the professionals and officers of the Group in the respective jurisdictions in which they apply.
- In addition, any codes and rule-making instruments that are adopted shall be disseminated externally, in particular, through the websites of the companies of the Group.

Chapter V. Commitments to and Relations with other Stakeholders

Article 25. Commitment to Human and Workers' Rights

1. The Group hereby expresses its commitment to and solidarity with the human and workers' rights recognised in national and international law and to the principles upon which are based the *UN Global Compact*, the *United Nations Norms on the Responsibilities of Transnational Companies and Other Business Enterprises in connection with Human Rights*, the *OECD Guidelines for Multinational Corporations* and the *Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the International Labour Organisation*, as well as such documents or texts that replace or supplement the ones mentioned above.
2. In particular, the Group affirms its total rejection of child and forced or compulsory labour and undertakes to respect freedom of association and collective bargaining, as well as the rights of ethnic minorities and indigenous peoples in the places in which it does business.

Article 26. Shareholders and the Financial Community

1. The Group expresses its intention to create value for its shareholders on a continuous and sustained basis, and shall make available to them permanent communication and enquiry channels to enable them to receive proper, useful and complete information regarding the development of the Group, within the framework of the *Policy regarding Communication and Contacts with Shareholders, Institutional Investors and Proxy Advisors* and the principle of equal treatment of shareholders under identical conditions.
2. Relations with investors and financial analysts shall be channelled through the Investor Relations Division (or such division that hereafter carries out the duties thereof).

Article 27. Regulatory Entities

Relations with the authorities, regulatory entities and government agencies shall be conducted following the principles of cooperation and transparency.

Article 28. Customers

1. The Group commits to offering quality services and products equal to or exceeding the requirements and standards established by law, competing in the marketplace and engaging in marketing and sales based on the merits of its products and services, in all cases applying standards of transparency, disclosure and protection.
2. The Group shall guarantee the confidentiality of all data of its customers and undertakes not to disclose such data to third parties without the customer's consent, except when required by law or to comply with court or governmental orders. The capture, use and processing of the personal data of customers shall be made in such a manner as to guarantee their right to privacy and comply with personal data protection laws as well as the rights given to customers by the laws on information society and electronic commerce services and other applicable legal provisions.
3. Contracts with customers of the Group shall be drafted in a clear and simple manner. Transparency shall be promoted in pre-contractual and contractual relations with customers, and they shall be advised of the various existing alternatives, particularly as regards services, products and rates.
4. Professionals shall avoid any kind of interference or influence of customers or third parties that may alter their professional impartiality and objectivity and may not receive any kind of remuneration from customers or generally from third parties for services relating to the professional's activities within the Group.

Article 29. Suppliers

1. The Group's procedures for the selection of suppliers shall conform to an objective and impartial standard and shall avoid any conflict of interest or favouritism in the selection thereof. Group professionals undertake to comply with established internal award procedures, including, in particular, those relating to the approval of suppliers.
2. The prices and other information submitted by suppliers during a process of selection shall be treated confidentially and shall not be disclosed to third parties without the consent of the interested parties or where required by law or to comply with court or governmental orders. Group professionals who have access to personal data suppliers shall maintain the confidentiality of such data and comply with the provisions of the laws on the protection of personal data to the extent applicable. The information made available by Group professionals to suppliers shall be true and shall not be given with the intent to mislead.



3. Professionals shall avoid any kind of interference or influence of suppliers or third parties that may alter their professional impartiality and objectivity and may not receive any kind of remuneration from the Group's suppliers or generally from third parties for services relating to the professional's activities within the Group.

Article 30. Competitors

1. The Group undertakes to compete fairly in the marketplace and not to engage in advertising that is deceptive or that denigrates its competition or third parties.
2. The acquisition of information from third parties, including information regarding competitors, shall be made in a lawful manner.
3. The Group undertakes to promote free competition for the benefit of consumers and users. The Group shall comply with competition rules and regulations, avoiding any conduct which constitutes or might constitute collusion, abuse or restraint of competition.

Article 31. The Media and Transparency in the Provision of Information

1. Relations with the media shall be channelled through the External Communications Division (or such division that hereafter carries out the duties thereof).
2. The Group shall provide true, proper, useful and consistent information regarding its programmes and actions. The transparency of the information required to be disclosed is a basic principle that must govern the actions of Group professionals.
3. The economic/financial information of the Group (especially the annual accounts) shall faithfully reflect its economic and financial position and its net worth, in accordance with generally accepted accounting principles and applicable international financial reporting standards. For such purposes, no professional shall conceal or distort the information set forth in the accounting records and reports of the Group, which shall be complete, accurate and truthful.
4. A lack of honesty in the communication of information, whether internally within the Group (to employees, subsidiaries, departments, internal bodies, management decision-making bodies, etc.) or outside the Group (to auditors, shareholders and investors, regulatory entities, the media, etc.) is a breach of the *Code of Ethics*. This includes delivering incorrect information, organising it in an incorrect manner or seeking to confuse those who receive it.

Article 32. Society

1. The Group expresses its firm commitment to the principles of the *General Corporate Social Responsibility Policy* as a framework for its programmes and actions with the professionals, customers, suppliers, shareholders and all other stakeholders with whom it has relations.

In this regard, the Group, faithful to the corporate goal of creating wealth and welfare for society, adopts a responsible corporate ethic that makes it possible to harmonise the creation of value for its shareholders with sustainable development, the main objectives of which are the protection of the environment, social cohesion, the development of a favourable framework for employment relations, and ongoing communication with the various groups related to the Company in order to meet their needs and expectations.

2. The Group expresses its firm commitment to the principles of the *Anti-Corruption and Anti-Fraud Policy* and the *Crime Prevention Policy*, and in particular to not adopting practices that might be considered improper in its relations with customers, suppliers, competitors, authorities, etc., including those relating to money laundering.

To such end, professionals shall receive appropriate training on applicable law in the countries in which the Group operates.

Article 33. Actions having a Social-Welfare Component and Donations

1. The Group contributes to the development of communities with its business activity and with its social responsibility strategy, with measures intended to, amongst other things, promote education, environmental protection, culture, and sports and protect vulnerable groups, and works to establish firm and permanent connections therewith.
2. The companies of the Group, either directly or through intermediaries, shall refrain from making contributions that are not in accord with the social responsibility strategy thereof.
3. All social-welfare, cultural or any other kind of contributions made by the companies of the Group, regardless of the legal form thereof, whether a collaboration agreement, donation or any other legal form or transaction, and regardless of the area to which they are directed (promotion of education, culture, sports, protection of vulnerable groups, etc.), must meet the following requirements: have a legitimate purpose, not be anonymous, be formalised in writing, and, if contributions of money, be made by any payment method that allows for identification of the recipient funds and provides evidence of the contribution. Cash contributions are prohibited.
4. Prior to making a contribution from among those referred to in the preceding section, the proposing corporate or business area must have carried out due diligence allowing for verification of the lawfulness thereof, following the form approved by the Compliance Unit or competent compliance division. The Compliance Unit or competent compliance division may establish different forms based on the amount of the contribution or the nature thereof. The due diligence requirements provided for in this article shall not apply to contributions to entities in the nature of foundations linked to the Group in order to carry out the corporate social responsibility activities with which they are tasked by their respective boards of trustees.
5. The proposing unit must report the results of such due diligence to the competent Compliance Unit or compliance division.
6. In any event, the company of the Group making the social, cultural or similar contribution must document in the formalisation thereof that it is subject to the beneficiary continuing to meet the requirements and conditions upon which it was approved and to following the purposes for which it was provided. Along these lines, within the framework of the provisions

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of applicable legal provisions, and without prejudice to any other legal actions to which it may be entitled, the contributing company shall reserve the right to revoke the contribution if, after the provision thereof, it is verified that the information from the due diligence investigations was false or inaccurate or the beneficiary has ceased to meet the conditions upon which it the contribution was provided or has used it otherwise than as agreed.

7. The companies of the Group, either directly or through intermediaries, are strictly prohibited from directly or indirectly making donations to Spanish political parties, including federations, coalitions and groups of electors, even in the form of loans or advances.

Article 34. Protection of the Environment

1. The Group's activities are based on respect for the environment, and the Group complies with or exceeds the standards established in such environmental laws and regulations as may apply and minimises the impact of its activities on the environment.
2. The guidelines for the conduct of the Group's companies are to minimise waste and pollution, conserve natural resources, promote energy savings and carry out and sponsor research and development projects that foster environmental protection.
3. The Group cooperates with regulatory authorities to develop and promote fair laws and regulations that protect the environment.

Chapter VI. Ethics Mailbox

Article 35. Implementation of the Ethics Mailbox

1. The Company shall implement an ethics mailbox in order to promote compliance with legal provisions and with the rules of conduct established in the *Code of Ethics* (the "Ethics Mailbox"). The implementation of the Ethics Mailbox is understood to be without prejudice to other mechanisms or channels that are established in accordance with the Corporate Governance System or that the Audit and Risk Supervision Committee may deem appropriate to create in order to allow for the communication of potentially significant financial and accounting improprieties observed within the Group.
2. The Ethics Mailbox is a channel created for the Group's professionals to report conduct that may involve the commission of an improper act or an act in violation of legal provisions or of the rules of conduct laid down in the *Code of Ethics* or to ask questions that may arise regarding the interpretation thereof pursuant to the provisions of article 4 above.
3. Communications addressed to the Ethics Mailbox may be sent by completing an electronic form that shall be available in the "Ethics Mailbox" section of the Employee's Portal.
4. The country subholding and head of business companies of the Group with compliance divisions may create their own ethics mailboxes. Such divisions shall report to the Compliance Unit all grievances that they receive through such ethics mailboxes and the investigative files processed, and shall provide all information and documentation requested thereby.

Article 36. Principles Governing Grievances Reported Using the Ethics Mailboxes

1. Group professionals who have reasonable indications of the commission of any improper act or of any act in violation of legal provisions or of the rules of conduct laid down in the *Code of Ethics* that are specifically applicable to the Group's professionals must report it through the ethics mailboxes or any of the other mechanisms established by the Company for this purpose. In any event, such communications shall always adhere to standards of truthfulness and proportionality, such that this mechanism may not be used for purposes other than seeking compliance with the *Code of Ethics* or applicable law.
2. The identity of the person reporting an improper action through the ethics mailbox shall be deemed to be confidential information and, therefore, it shall in no event be communicated to the reported party without the consent of the reporting party, thus ensuring non-disclosure of the identity of the reporting party and avoiding any kind of response towards the reporting party from the reported party as a consequence of the report.
3. The Group undertakes not to engage in any direct or indirect retaliation against the professionals that have reported an action among those mentioned in section 1 above through the ethics mailbox, unless they have acted in bad faith.
4. Without prejudice to the foregoing, the data of the persons making the communication may be provided to governmental or court authorities, to the extent required by such authorities as a consequence of any proceeding stemming from the subject matter of the report, as well as to persons involved in any kind of subsequent investigation or court proceeding initiated as a consequence of the investigation. Such provision of data to government or court authorities shall in all cases be provided in full compliance with personal data protection legislation.
5. In those jurisdictions in which applicable law so allows, grievances made through the ethics mailbox may be made anonymously.

Article 37. Processing of Grievances Reported Through the Ethics Mailboxes

1. The Compliance Unit shall process grievances reported through the Ethics Mailbox. If the grievance affects a member of the Compliance Unit, such member may not participate in the processing thereof.
2. If the matter affects a professional assigned to a country subholding or head of business company of the Group that has its own compliance division, the Compliance Unit shall send the communication to such division in order for it to proceed with evaluation and processing in accordance with its own rules. Notwithstanding the foregoing, if the matter affects professionals assigned to more than one country subholding or head of business company of the Group that has a compliance division, the processing of the file shall be coordinated by the Compliance Unit.



3. The processing of grievances made through any of the ethics mailboxes of the country subholding or head of business companies that have their own compliance division shall be handled by the latter.
4. In all investigations, the rights to privacy, due process and the presumption of innocence of the persons investigated shall be guaranteed.

Article 38. Protection of Personal Data

1. All data provided through the ethics mailboxes shall be included in a personal data file owned by the Company or the corresponding country subholding or head of business company in order to process the communication received through said ethics mailbox and to take such investigatory steps as may be required to establish the commission of the violation.
The Group undertakes to treat all personal data received through the ethics mailboxes in the strictest of confidence at all times and in accordance with the purposes contemplated in this chapter VI, and it shall adopt such technical and organisational measures as may be needed to ensure the security of the data and avoid the alteration, loss or unauthorised processing thereof or access thereto, taking into account the current state of the art, the nature of the data stored and the risks to which they are exposed, all in compliance with the laws on the protection of personal data.
In any event, each data collection form shall include the notices required by applicable law in order to clearly inform the interested parties of the purposes and uses that the processing of their personal data will serve.
2. As a general rule, the reported party shall be informed of the existence of a report upon commencement of the investigation proceeding. However, in those cases in which there is a significant risk that such notification may jeopardise the ability to effectively investigate the allegation or to gather the required evidence, such notification to the reported party may be delayed for as long as the risk exists.

Chapter VII. Miscellaneous

Article 39. Dissemination, Training and Communication

1. The Compliance Unit shall be responsible for promoting the dissemination of the content of the *Code of Ethics* among both the professionals of the Company and with respect to the other stakeholders.
2. In order to promote the dissemination thereof among the professionals of the Company, the Compliance Unit shall prepare and approve training and internal communication plans and activities.
 - a) Training plans and activities shall be given to the Human Resources Division for implementation thereof pursuant to the provisions of the general training activities plan.
 - b) Internal communication plans and activities shall be given to the Internal Communications Division for implementation thereof pursuant to the provisions of the Group's global communication plan and after ensuring that the content and form thereof comply with the standards defined for internal communications.
3. Proposals for external dissemination of the *Code of Ethics* among the other stakeholders shall be given by the Compliance Unit to the External Communication Division for assessment thereof and possible inclusion in the Group's global communication plan in accordance with the general priorities and objectives established in each case.
4. The compliance divisions of the other companies of the Group, in view of the guidelines of the Compliance Unit, shall in turn promote the dissemination of the content of the *Code of Ethics* within their respective purviews through the divisions assuming the duties of human resources and communication.
5. The Corporate Social Responsibility Committee shall supervise the coordination and implementation of the training and communication actions to be carried out at the request of the Company's Compliance Unit and of the compliance divisions of the other companies of the Group.

Article 40. Disciplinary Rules

1. The Group shall develop the measures needed for the effective application of the *Code of Ethics*.
2. Nobody, regardless of rank or position, is authorised to request that a professional commit an unlawful act or breach of the provisions of the Corporate Governance System, especially the *Code of Ethics*. In turn, no professional may justify improper or unlawful conduct or conduct that contravenes the provisions of the Corporate Governance System in reliance on an order from a superior.
3. If the Compliance Unit or the competent compliance division determines that a Group professional has engaged in activities that violate the provisions of law or the *Code of Ethics*, it shall entrust to Human Resources Division or to the division responsible for the human resources function of the relevant Group company the application of disciplinary measures in accordance with the offences and penalties system set forth in the collective bargaining agreement of the company in which such professional is employed or in applicable employment legislation.
4. The compliance divisions that exist at the country subholding companies or head of business companies of the Group shall proceed in the same manner with respect to conduct that they are competent to review as provided above.

Article 41. Acceptance

1. The professionals of the Group expressly accept the rules of conduct established in the *Code of Ethics*.
2. Professionals who join or become part of the Group in the future shall expressly accept the principles and rules of conduct set forth in the *Code of Ethics*.
3. The *Code of Ethics* shall be attached to the employment agreements of all Group professionals.

Article 42. Approval and Amendment

1. The *Code of Ethics* shall be revised and updated periodically, in accordance with the annual report of the Compliance Unit, as well as with the suggestions and proposals of Group professionals. The Corporate Social Responsibility Committee, the Management of the Internal Audit Area and the Compliance Unit shall be able to make proposals to improve or to foster the adaptation of the *Code of Ethics* as a whole.
2. The amendment of this *Code of Ethics* shall in any case fall within the purview of the Board of Directors.
3. The *Code of Ethics* was approved at a meeting of the Board of Directors of the Company held on 27 February 2002 and was last amended on 19 December 2017.

